



STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)
(916) 445-4982

GEORGE R. REILLY
First District, San Francisco
ERNEST J. DRONENBURG, JR.
Second District, San Diego
WILLIAM M. BENNETT
Third District, San Rafael
RICHARD NEVINS
Fourth District, Pasadena
KENNETH CORY
Controller, Sacramento
DOUGLAS D. BELL
Executive Secretary
No. 82/56

April 1, 1982

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 4

The following are brief summaries of selected proposed property tax bills and amendments introduced by the Legislature which relate to assessment practices or the Revenue and Taxation Code.

AB 8X

Author: Assemblyman Robinson
Action: Approved by the Governor
Date: February 17, 1982
Affected Code Sections: Amends many sections of the Revenue and Taxation Code from Section 6459 to 43477, adds Section 19269 to the Revenue and Taxation Code and amends Sections 803, 1111, 1113, 1129, and 1184 of the Unemployment Insurance Code.

This legislation raises the interest rate on delinquent tax payments owed to the state, including private railroad car tax, timber yield tax and the rate on amounts owed by the state to taxpayers, to a uniform 18 percent per annum until December 31, 1982. The rate would be adjusted each year on the basis of the adjusted prime rate charged by banks. Because this bill is not an urgency statute, it will become operative on January 1, 1983.

AB 235

Author: Assemblyman Deddeh
Action: Approved by the Governor
Date: March 1, 1982
Affected Code Sections: Amends Section 170 of the Revenue and Taxation Code. Urgency statute.

This bill allows the county assessor, for the 1981-82 fiscal year and thereafter and with the approval of his board of supervisors, to reassess a property stricken by a calamity or disaster even if no application for reassessment was submitted, provided that the assessor determines that the disaster or calamity occurred within the preceding six months.

AB 1539

Author: Assemblyman Harris

Action: Amended in Senate

Date: March 4, 1982

Affected Code Sections: Amends Section 1152 of the Revenue and Taxation Code. Urgency statute.

This bill would modify the assessment procedures for certificated aircraft. For the 1982-83 fiscal year and thereafter, there would be excluded from the "time in state" factor all ground time in excess of 168 hours during any period of at least 720 consecutive hours spend on the ground. The purpose of this legislation is to encourage California-based certificated air carriers to store within California aircraft temporarily removed from revenue service for extended periods. This bill accomplishes this purpose by excluding certain ground time, as outlined above, from the "time in state" factor.

AB 2947

Authors: Assemblyman Bates et al.

Action: Introduced in the Assembly

Date: March 3, 1982

Affected Code Sections: Adds Part 21 (commencing with Section 42000) to Division 2 of the Revenue and Taxation Code.

This bill would tax producers of oil at six percent of gross market value, as defined, for the privilege of severing oil, as specified, on and after January 1, 1983. This oil severance tax would be in addition to ad valorem property taxes or any yield tax imposed in lieu of an ad valorem tax. Because this bill enacts a change in state taxes for the purpose of increasing revenues, it would require a passing vote by at least two-thirds of all members elected to each of the two houses of the Legislature.

AB 2981

Author: Assemblyman Costa

Action: Introduced in the Assembly

Date: March 4, 1982

Affected Code Sections: Amends Section 211 of the Revenue and Taxation Code.

This bill would include kiwifruit in the exemption of fruit, and nut-bearing trees and grapevines during the initial years after planting. As with grapevines, kiwi vines would be exempted until three years after the season in which they were planted. Tax revenues lost by the counties as a result of this exemption would be eligible for state subvention. This bill would become operative only if ACA 79 of the 1981-82 Regular Session of the Legislature is approved by the voters.

AB 3041

Author: Assemblyman Leonard

Action: Introduced in the Assembly

Date: March 8, 1982

Affected Code Sections: Amends Sections 20501.5 and 20583 of, and adds Sections 20501.5 and 20583 to, the Revenue and Taxation Code.

This bill would make persons who reside in mobilehomes first sold new on or after July 1, 1980, and located on rented or leased land, eligible for property tax postponement. This eligibility, to be made available only to owner-occupants of mobilehomes first sold new on or after July 1, 1980 and located on land owned by other than the owner of the mobilehome, would expire December 31, 1988, unless extended by a later enacted statute. Beginning January 1, 1989, mobilehome owners in this category would qualify only for homeowners' property tax relief, and not for property tax postponement.

AB 3113

Author: Assemblyman Frazee

Action: Introduced in the Assembly

Date: March 9, 1982

Affected Code Sections: Amends Section 99 of the Revenue and Taxation Code. Urgency statute.

This bill would correct an incomplete cross-reference appearing in the original version of the Revenue and Taxation Code Section 99. This Section deals with agreements made by local agencies to exchange property tax revenues pursuant to jurisdictional changes resulting in altered service areas or service responsibilities. This bill would eliminate possible confusion resulting from the existing cross-reference.

AB 3193

Author: Assemblyman Cortese

Action: Introduced in the Assembly

Date: March 10, 1982

Affected Code Sections: Amends Section 426 of the Revenue and Taxation Code.

This bill would make technical changes in the formula used in valuing enforceably restricted properties when their owners have filed for non-renewal of their open-space contracts, scenic restrictions or open-space easements. The revisions to the language of this Code Section bring it into agreement with other statutory provisions concerning "full value".

AB 3194

Author: Assemblyman Cortese
Action: Introduced in the Assembly
Date: March 10, 1982
Affected Code Sections: Amends Sections 62 and 64 of the Revenue and Taxation Code.

This bill would make clarifying changes to the language of Sections 62 and 64 of the Revenue and Taxation Code, which deal with change in ownership. Specific reference is added to transfers of property made on or after March 1, 1975. It is emphasized that the "original co-owners" exclusion from change in ownership is applicable only to the individual pieces of real property so transferred; and that, when more than fifty percent of the ownership interest in that real property has cumulatively transferred, that real property shall be reappraised. There is also a clarifying revision made in the wording of the change in ownership question included on Franchise Tax Board tax return forms used for banks, partnerships and corporations. The provisions of this bill would be operative for the 1982-83 fiscal year, retrospective to March 1, 1975, but no escapes or refunds would be allowed for any years prior to 1982-83.

AB 3213

Author: Assemblyman Cortese
Action: Introduced in the Assembly
Date: March 10, 1982
Affected Code Sections: Adds Sections 172, 172.1 and 172.2 to, and amends Sections 5816 of, the Revenue and Taxation Code.

This bill would permit owners of specified mobilehomes which are subject to vehicle license fees and destroyed by disaster to have those replacement mobilehomes remain subject to vehicle license fees or to become subject to property taxation, at the owner's option, provided that the replacement mobilehome is comparable in size and utility to the mobilehome replaced. This bill would also exclude from change in ownership the purchase or acquisition of a mobilehome as a replacement for a mobilehome destroyed by a disaster, so long as it is comparable in size and utility to the mobilehome which it replaced.

AB 3223

Author: Assemblyman Bates
Action: Introduced in the Assembly
Date: March 10, 1982
Affected Code Sections: Adds Section 16171 to the Government Code.

This bill would require the state to reimburse local agencies for property taxes lost when property is removed from the assessment rolls as a result of its being leased or rented by the University of California. Under current Revenue and Taxation Code Section 202.2, the lessor of such property may claim exemption from property tax for such rented space or property, under certain conditions; however, there is no current provision for reimbursement of revenues lost by this exemption.

AB 3279

Author: Assemblyman Ivers
Action: Introduced in the Assembly
Date: March 11, 1982
Affected Code Sections: Amends Section 205.5 of the Revenue and Taxation Code.

This bill would exempt from property taxation the home of a person's surviving spouse if the person has died while on active duty in military service, up to a certain dollar maximum, and with certain limits on the household income of the surviving spouse. This bill would become operative only if Assembly Constitutional Amendment 80 of the 1981-82 Regular Session of the Legislature is approved by the voters.

AB 3284

Author: Assemblyman Robinson
Action: Introduced in the Assembly
Date: March 11, 1982
Affected Code Sections: Amends Section 51282 of the Government Code.

This bill would make a nonsubstantive change in the wording of the statutory provision for cancellation of open-space contracts.

AB 3296

Author: Assemblyman Waters
Action: Introduced in the Assembly
Date: March 11, 1982
Affected Code Sections: Amends Sections 84604 and 84605 of the Education Code; amends and repeals Section 27423 of the Government Code; amends Sections 38115, 38202, 38902, 38903, 38906, and 38908 of, adds Section 38905.1 to, repeals Sections 38902, 38905, and 38906 of, and repeals Chapter 4 of Part 18.5 of Division 2 of the Revenue and Taxation Code.

This bill would delete all provisions of current law relating to the timber reserve fund tax and would provide for the annual establishment of the yield tax rate on harvested timber by the Board of Equalization. This rate would be the average statewide rate for general property taxation. This bill would revise the method of allocating yield tax revenues to counties by a phase-out of the annual yield tax revenue guarantees and a phase-in of an allocation based on the total annual yield tax revenue obtained from each county receiving allocations. This bill would also make provisions to include the timber yield tax minimum revenue guarantees in the determination of base 1981-82 fiscal year revenues for each community college district and in the determination of state apportionments to community college districts.

AB 3349

Author: Assemblywoman Bergeson
Action: Introduced in the Assembly
Date: March 11, 1982
Affected Code Sections: Amends Sections 202.2 and 206.1 of, and
repeals Section 206.2 of, the Revenue and
Taxation Code.

This bill would extend the exemption provisions of the Revenue and Taxation Code Section 202.2 to property used exclusively for religious worship. This Section allows the reduction of taxes for property leased to various entities. This bill would also extend the church parking area exemption to property that is leased by a church, religious denomination or sect, regardless of whether that property is owned by a government entity or not. This bill would also delete the requirement that, when the lease payments do not reflect the existence of the church exemption, the tenant shall receive a reduction in or refund of rental payments.

AB 3415

Author: Assemblyman Farr
Action: Introduced in the Assembly
Date: March 11, 1982
Affected Code Sections: Adds Part 23 (beginning with Section 43000) to
Division 2 of the Revenue and Taxation Code.

This bill would impose a one percent severance tax upon producers of oil. This tax would be in addition to ad valorem taxes. The proceeds from this severance tax would be deposited into a "Natural Disaster Relief Fund" which would be set up to provide relief following natural disasters in the form of low-interest loans for reconstruction, to reimburse cities and counties for the cost of repairing public buildings, and also to compensate for lost property tax revenues resulting from disaster damage.

SB 1326

Author: Senator Alquist

Action: Amended in Senate

Date: March 8, 1982

Affected Code Sections: Many Sections of Many Codes. Urgency Statute.

This bill would change the lien date from March 1 to January 1. It would allow the assessor, with approval of the board of supervisors, to add completed new construction and change in ownership reappraisals to the immediate tax roll, rather than to add them to the next year's roll.

The bill would establish two appraisal periods, January 1-June 30 and July 1-December 31. For completed new construction and changes in ownership occurring during the first period, the assessor could either amend the regular roll or prepare a supplemental roll. A supplemental roll would have to be delivered to the auditor on or before August 31 of the current fiscal year. Entries on the supplemental roll would supplant entries on the regular roll.

For completions or changes occurring during the second period, the assessor would prepare a supplemental roll on which he would enroll only one-half of the value difference between the value last enrolled (whether on the regular or first supplemental roll) and the current market value. This roll would be in addition to the regular or first supplemental roll, and would not replace it. This second supplemental roll would have to be delivered to the auditor by March 15.

The changes that this bill would make in lien date, amended and supplemental rolls would also apply to the board roll. The Board of Equalization would be required to mail value notices to assessees of both unitary and nonunitary property between the first day of January and the first day of June.

Among the related changes which this bill proposes are the following:

1. A change in ownership statement would have to be filed before the county recorder could record titled documents.
2. The 10 percent penalty for failing to file a change in ownership statement would apply to each year since the establishment of the new base year resulting from the change in ownership.
3. Business property statements would have to show the dates during the year when property was acquired.
4. The due date for business property statements would be moved from the last Friday in May to the last Friday in April.
5. The filing date for exemptions would be changed to within 30 days of the date on which the property became eligible for exemption if the property changed ownership during the year.
6. The bill permits counties to retain five percent of the increased revenues resulting from the provisions of this bill in order to cover their costs of administration.

SB 1589

Author: Senator Craven
Action: Introduced in the Senate
Date: March 2, 1982
Affected Code Sections: Adds Sections 54915.5 and 54916.5 to the Government Code. Urgency statute.

This bill would modify the map filing requirements relating to the formation of fire protection districts and county service areas, for fiscal year 1982-83 only. Ordinarily, the filing deadline is January 1 of the year in which the assessments of the district are to be effective. For 1982-83, however, the filing date for fire protection districts has been moved back to July 15, 1982. For county service areas, the final filing date for this year is March 17, 1982.

SB 1629

Author: Senator Marks
Action: Introduced in the Senate
Date: March 4, 1982
Affected Code Sections: Adds Chapter 2.6 (beginning with Section 171) to Part 1 of Division 1 of the Revenue and Taxation Code.

This bill would require counties to allow the postponement of property taxes on owner-occupied residences located in areas declared to be federal disaster areas. To qualify for postponement, the residence must have suffered at least a fifty percent loss of value as a result of the disaster.

SB 1718

Author: Senator Sieroty
Action: Introduced in the Senate
Date: March 10, 1982
Affected Code Sections: Amends Section 98 of, and adds Section 98.1 to, the Revenue and Taxation Code.

This bill would modify the current law governing the distribution of the "annual tax increment" portion of property tax revenues among various jurisdictions. It would require that certain amounts, computed in a specified manner, be apportioned to school entities from tax increment funds which would otherwise be allocated under the Community Redevelopment Law. This bill has no repealer section and so would remain in effect unless and until later amended or repealed.

ACA 53

Authors: Assemblyman Frizelle et al.
Action: Amended in the Senate
Date: March 8, 1982
Affected Constitutional provisions: Adds subdivision (e) to Section 2 of Article XIII A.

April 1, 1982

This measure would allow the Legislature to exclude from the term "newly constructed" the construction or addition of any fire sprinkler or fire alarm system, as defined, provided that this construction or addition is not required by state law or local ordinance.

ACA 79

Author: Assemblyman Costa
Action: Introduced in the Assembly
Date: March 4, 1982
Affected Constitutional provisions: Amends subdivision (i) of Section 3 of Article XIII.

This measure would exempt from property taxation kiwifruit vines until three years after the season in which they were planted. A similar exemption has already been allowed for grapevines.

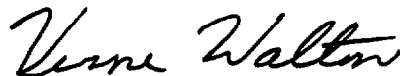
ACA 80

Author: Assemblyman Ivers
Action: Introduced in the Assembly
Date: March 11, 1982
Affected Constitutional provisions: Amends subdivision (a) of Section 4 of Article XIII.

This measure would allow the Legislature to exempt from property taxation the home of a person's surviving spouse if the person has died while on active duty in military service. The enabling legislation for this expansion of the disabled veterans' exemption is AB 3279, also introduced by Assemblyman Ivers. It is found elsewhere in this summary.

Copies of each of these bills are enclosed for your information.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:cm
Enclosures:
AL-08-1337A